

# CAPEX Methodology and Approach – Final Hand-Off to Administration



May 26, 2015



# RECAP OF "WHY"

## Objectives

Allow Board and Administration to anticipate and plan for major capital expenditures

Reduce "surprises" around capital spending requirements

Facilitate better cost/benefit, "trade-off" decisions by providing a big picture of capital requirements vs. current and forecasted resources

Improved public communications and input on District plans, priorities, and choices requiring capital dollars

## Prior System Deficiencies

Past practices for review, management of capex spend did not take into account all types of capital spending

No clear "total view" visibility on current and future capex needs

No objective review and scoring process to weigh capex choices individually and collectively

## Opportunities for Improvement

- ✧ **Systematize the process by which capex spend items are approved**
  - Additional quantitative elements
  - Ability to involve community members (FORC, FAC)
  - Added objectivity and transparency
- ✧ **Better ability to plan for the future**
  - Balancing needs vs. limited resources
- ✧ **Create best-practices standard for stewardship of taxpayer funds**
  - Consider including in District policies
  - "Defensible" processes and rigor that will inspire public confidence
  - Systems, policies that will transcend personnel



# ACCOMPLISHMENTS

1. Created new definitions and framework for evaluating capital spending
  - Now includes both infrastructure (f.k.a. "facilities") and equipment – anything that would normally be capitalized on a balance sheet
  - New spend categories (Life/Safety, Core Functionality, Direct Impact to Learning, and Enhancements)
  - Scoring methodology to evaluate all spend items on a 100 point scale
2. Captured best practices in capex management and risk assessment from both public and private arenas, including
  - UNC-Chapel Hill School of Government
  - McKinsey
  - Douglas County School District (CO) – adapted their scoring model
3. Leveraged input of multiple stakeholders, including
  - Board members
  - Administration (T. O'Neill, N. Lane)
  - Relevant vendors (STR)
  - Board committees and work groups (i.e. FAC, Budget/Referendum Promises, FORC)
4. Developed new tools for
  - Nomination of spend items over \$100K
  - Objective scoring of spend items
  - Visibility on the choices and trade-offs for board, administration, teacher, parent, and taxpayer stakeholders
  - Tools created: Capex Scoring Sheets and 10-Year Capex Radar





## Oak Park Elementary School District 97

### Capital Expense Request, Suggestion, or Proposal

Project Name:

Name:  (submitter's name) Date:    (dropdown)

Primary Spend Category:  (dropdown)

Secondary Spend Category (if applicable):  (dropdown)

Request Number: 20150326 - CF - TO - 049 (update last 3 digits)

#### Narrative Description of the project:

Replacement of current, antiquated Centrex System to a 21st century VoIP (Unified Communications) system. Further, this upgrade will facilitate integration of telephone communication with all other communications (Public Address, Emergency Notification, bell schedules, clocks, etc.) Some of this upgrade will be E-rate eligible.

#### Narrative Statement of why the project/spending is needed:

The current system is problematic in terms of finding repair alternatives, is more costly than more modern systems, includes significant concerns of reliability, confidentiality and safety, and will no longer be E-rate eligible thus reducing some potential offsets. The new solution will provide unified communications districtwide as well as extending out to all District stakeholders.

#### Anticipated impact/result of the spend:

We will have a better unified communications system districtwide. We will be saving annual dollars with this conversion immediately and we will be able to recoup some E-rate dollars.

#### Who and how many will be impacted or benefited?

All district stakeholders and all Oak Park residents.

#### Building or Location(s):

#### Narrative Statement of what alternatives exist, if any, to the spend:

None, and \$220,000 has been carried in the previous two years' and the current District budget for this endeavor to be completed recognizing its current inadequacy and cost implications.

### Evaluation/Scoring Section

Name of Scorer:  Date:    (dropdown)

Date by which the spend would occur:    (dropdown)

Unit dollar amount:  Number of units:  Total dollar amount:

Expected annual impact (+/-) to operating expense:

#### Impact of spend on operating budget:

Commencing with the 2015-16 through 2019-20 budget, an annual savings of \$90,000 in the District's operating funds will be realized. For the next 5 years out (2020-21 through 2024-25), an annual savings of \$65,000 will result.

#### Anticipated/potential offsets (i.e. grants, revenues, etc.):

The current 2015-16 budget has a line item of \$220,000 for VoIP. With the annual \$90,000 savings, it will take 2-1/2 years will fully pay off this expenditure.

Value of offsets:

#### Level

- 1 Category - What is the opportunity or problem?
- 2 Failure Expectancy - What is the frequency of the problem?
- 3 Consequence - What is the impact/result?
- 4 Users Impacted

System Failure/Upgrade	(dropdown)	20
Immediate/Emergency/Very Poor	(dropdown)	25
Outage/Closure	(dropdown)	21
High Impact/District-wide	(dropdown)	25

Total Score (out of possible 100) 91



# NEW TOOL: CAPEX SCORING SHEET

# NEW TOOL: 10-YEAR CAPEX RADAR

## (page one)



Oak Park School District 97 - Capex Radar										
		Primary Spend Category	Secondary Spend Category	Building or Location(s)	Estimated Dollar Amount	Start Date of Spend	Score	Annual Impact to OpEx	Anticipated Offsets	
Project Name	Request #									2014
HR/Financial ALIO Software Upgrade	20140430 - CF - TO - 027	CF	CF	Districtwide	\$216,000	06/30/2014	67	\$0	\$216,000	\$216,000
Technology - iLearn (1st & 2nd grade)	20140430 - DI - TO - 028	DI	DI	Districtwide	\$136,495	06/30/2014	63	\$0	\$136,495	\$136,495
Technology - iLearn (K-8 Chromebooks)	20140430 - DI - TO - 029	DI	DI	Districtwide	\$139,131	06/30/2014	63	\$0	\$139,131	\$139,131
Technology - Projectors	20140430 - DI - TO - 030	DI	DI	Districtwide	\$467,694	06/30/2014	84	\$0	\$467,694	\$467,694
K-5 Math Materials	20140501 - DI - TO - 031	DI	DI	K-5 Schools	\$100,000	07/15/2014	63	\$0	\$100,000	\$100,000
SAFETY EGRESS ACCESSIBILITY AT BEYE, IRVING, MANN, WHITTIER	20131119 - LS - TO - 012	LS	EN	BEYE, IRVING, MANN, WHITTIER	\$511,130	08/15/2014	92	\$0	\$150,000	\$511,130
K-5 Math Textbook Adoption	20140501 - DI - TO - 032	DI	DI	K-5 Schools	\$400,000	05/30/2016	63	\$400,000	\$400,000	
Masonry & Tuck-pointing - Holmes, Lincoln & Whittier	20140326 - CF - TO - 035	CF	CF	Holmes, Lincoln & Whittier Schools	\$130,181	08/15/2015	48	\$0	\$0	
Fire Wall Separation - Brooks & Julian Middle Schools	20140326 - LS - TO - 036	LS	LS	Brooks & Julian Middle Schools	\$175,901	08/15/2016	92	\$0	\$0	
Upgrade Fire Alarm Systems - Districtwide	20140326 - LS - TO - 005	LS	CF	Longfellow, Irving, Lincoln & Whittier Schools	\$531,188	08/15/2015	92	\$0	\$0	
Sprinkler Head/Pull Station Upgrade - BMS & JMS	20140326 - LS - TO - 037	LS	LS	Brooks & Julian Middle Schools	\$161,186	08/15/2015	92	\$0	\$0	
Replace Worn Carpeting - Districtwide	20140326 - EN - TO - 033	EN	EN	All 10 Schools	\$437,529	08/15/2016	34	\$0	\$0	
Replace Air Handlers - Longfellow & Mann	20140326 - CF - TO - 034	CF	DI	Longfellow & Mann Schools	\$1,722,105	08/15/2016	44	\$0	\$0	
Replace Master Clock Systems - K-5 Buildings	20140326 - CF - TO - 004	CF	EN	K-5 School Buildings	\$246,077	08/15/2017	44	\$0	\$0	
Replace doors & frames & incl. mag locks tied to fire alarm system	20131106 - CF - NL - 007	CF	EN	ALL ELEMENTARY BUILDINGS	\$565,099	06/01/2018	70	\$0	\$0	
REPLACE OLD INTERIOR DOORS TO OCC SPACES INCL. HARDWARE	20131106 - CF - NL - 008	CF	EN	ALL ELEMENTARY BUILDINGS	\$997,643	06/01/2018	70	\$0	\$0	
REPLACE OLD CORRIDOR/STAIR DOOR OPENINGS INCL FRAMES & HDWR	20131106 - CF - NL - 009	CF	EN	ALL ELEMENTARY BUILDINGS	\$913,639	06/01/2018	70	\$0	\$0	
REPLACE INTERCOM SYSTEM	20131106 - CF - NL - 010	CF	EN	ALL ELEMENTARY BUILDINGS	\$964,911	06/01/2018	66	\$0	\$0	
REPLACE RUSTED/DAMAGED EXTERIOR DOORS AND FRAMES	20131106 - CF - NL - 011	CF	EN	HATCH, HOLMES, LINCOLN, LONGFELLOW, WHITTIER	\$124,408	06/01/2018	62	\$0	\$0	
Replace Butt Glass (includes new doors & hardware) - casework not included	20131106 - LS - NL - 002	LS	EN	IRVING, LINCOLN, LONGFELLOW, MANN, WHITTIER	\$348,685	06/01/2018	54	\$0	\$0	
Alarm System (media center, admin area & exterior doors)	20131106 - EN - NL - 006	EN	EN	ALL ELEMENTARY SCHOOLS	\$243,041	06/01/2018	51	\$0	\$0	
Convert toilet rooms to ADA	20131106 - EN - NL - 001	EN	DI	IRVING, LINCOLN, LONGFELLOW, MANN, WHITTIER	\$381,561	06/01/2018	34	\$0	\$0	
Locker Replacement - Brooks & Julian Middle Schools	20140326 - EN - TO - 042	EN	EN	Brooks & Julian Middle Schools	\$975,120	08/15/2018	39	\$0	\$0	
Roof Replacement - Hatch & Longfellow Schools	20140326 - CF - TO - 013	CF	CF	Hatch & Longfellow Schools	\$1,756,055	08/15/2019	48	\$0	\$0	
Roof Replacement - Brooks Middle School	20140326 - CF - TO - 038	CF	CF	Brooks Middle School	\$1,149,601	08/15/2019	48	\$0	\$0	
Roof Replacement - Julian Middle School	20140326 - CF - TO - 040	CF	CF	Julian Middle School	\$1,207,820	08/15/2020	48	\$0	\$0	
Roof Replacement - Brooks Middle School	20140326 - CF - TO - 039	CF	CF	Brooks Middle School	\$1,132,935	08/15/2021	48	\$0	\$0	
Roof Replacement - Julian Middle School	20140326 - CF - TO - 041	CF	CF	Julian Middle School	\$1,187,953	08/15/2022	48	\$0	\$0	
ADA Exterior Ramp Improvements	20150414 - LS - TO - 042	LS	LS	Hatch, Lincoln, Longfellow & Whittier Schools	\$231,000	08/15/2015	95	\$231,000	\$400,000	
Air Conditioning - 1st Floors - Districtwide	20131209 - EN - NL - 025	EN	EN	All 8 Elementary Buildings	\$5,514,000	08/15/2019	23	\$0	\$0	
Air Conditioning - 2nd Floors - Districtwide	20131209 - EN - NL - 023	EN	EN	All 8 Elementary Buildings	\$6,738,000	08/15/2018	23	\$0	\$0	
Air Conditioning - 3rd Floors - Districtwide	20131209 - EN - NL - 045	EN	EN	Beye, Hatch, Irving, Lincoln, Longfellow, Mann & Whittier	\$5,226,000	08/15/2014	23	\$0	\$0	\$5,226,000
Full Accessibility - All Elementary but Whittier & Holmes	20131209 - EN - NL - 026	EN	EN	Elementary Bldgs other than Whittier & Holmes	\$6,307,997	08/15/2020	32	\$0	\$150,000	
A/C-Option 6 - Self Contained Vertical Stand Up Unit Ventilators - Free Blow	20131118 - CF - NL - 021	CF	EN	All Elementary Building	\$13,040,000	08/15/2015	55			
A/C-Option 7 - Self Contained Vertical Stand Up Unit Ventilators - Ducted Distribution	20131118 - CF - NL - 022	CF	EN	All Elementary Building	\$16,920,000	08/15/2015	55			
Replace Air Handlers - Longfellow & Mann	20140326 - CF - TO - 046	CF	DI	Longfellow & Mann Schools	\$1,722,105	08/15/2016	44	\$0	\$0	
Convert pneumatic controls to DDC	20131118 - CF - NL - 047	CF	EN	All Elementary Building	\$2,295,000	08/15/2014	54			\$2,295,000
Rosetta Stone - World Language Program	20140912 - DI - TO - 048	DI	DI	Districtwide	\$151,188	09/30/2014	63	\$151,188	\$0	\$151,188
VoIP (Unified Communications)	20150326 - CF - TO - 049	CF	LS	All District Buildings	\$451,907	08/31/2015	91	-\$90,000	\$450,000	
6th Grade Social Studies Textbook Adoption	20140501 - DI - TO - 050	DI	DI	Brooks & Julian Middle Schools	\$37,000	06/30/2014	40	\$0	\$37,000	\$37,000
Whittier - Full Accessibility	20131209 - EN - NL - 022	EN	EN	Whittier	\$1,115,775	08/15/2014	60	\$0	\$150,000	\$1,115,775

\$10,395,413

\$77,073,060

# NEW TOOL: 10-YEAR CAPEX RADAR

## (page two)



2015	2016	2017	2018	2019	2020	2021	2022	2023	Net Cost to District	Score	\$ per score point	Comments/Status	Likely Source of Funds
									\$0	67		Approx. \$140K spent so far. Implementation in progress, expected go-live is Jan. 2016.	
									\$0	63		Project/spend complete	DSEB
									\$0	63		Project/spend complete	DSEB
									\$0	84		Project/spend complete	Schools and Tech plan from 2011 referendum - two year spend
									\$0	63		Project/spend complete	
									\$361,130	92	3,925	Part of ADA project at Whittier	
	\$400,000								\$0	63		This spend pushed out by 1 year to 2016	
									\$0	48		Dropping from Radar - new bids below \$100K threshold	DSEB
	\$175,901								\$175,901	92	1,912	This spend pushed out by 1 year to 2016	DSEB
\$531,188									\$531,188	92	5,774	Project will be complete summer 2015	Working Cash
									\$0	92		Dropping from Radar - new bids below \$100K threshold because project no longer requires new sprinkler heads	DSEB
	\$437,529								\$437,529	34	12,869		DSEB
	\$1,722,105								\$1,722,105	44	39,139		DSEB
		\$246,077							\$246,077	44	5,593	Project is now school-specific due to other electrical work being done 2015; total cost will go down	DSEB
			\$565,099						\$565,099	70	8,073		DSEB
			\$997,643						\$997,643	70	14,252		DSEB
			\$913,639						\$913,639	70	13,052		DSEB
									\$964,911	66	14,620	Project is now school-specific due to other electrical work being done 2015; total cost will go down	DSEB
									\$124,408	62	2,007		DSEB
									\$348,685	54	6,457		DSEB
									\$243,041	51	4,766	Four schools getting done this year as part of other electrical work	DSEB
									\$381,561	34	11,222	Whittier portion getting done this year as part of ADA project	DSEB
									\$975,120	39	25,003		DSEB
				\$1,756,055					\$1,756,055	48	36,584		DSEB
				\$1,149,601					\$1,149,601	48	23,950		DSEB
					\$1,207,820				\$1,207,820	48	25,163		DSEB
						\$1,132,935			\$1,132,935	48	23,603		DSEB
							\$1,187,953		\$1,187,953	48	24,749		DSEB
\$231,000									-\$169,000	95	-1,779		
				\$5,514,000					\$5,514,000	23	239,739		
			\$6,738,000						\$6,738,000	23	292,957		
									\$5,226,000	23	227,217		
					\$6,307,997				\$6,157,997	32	192,437		
\$13,040,000									\$13,040,000	55	237,091		
\$16,920,000									\$16,920,000	55	307,636		
	\$1,722,105								\$1,722,105	44	39,139		DSEB
									\$2,295,000	54	42,500		
									\$151,188	63	2,400		
\$451,907									\$1,907	91	21		
									\$0	40	0		
									\$0	0	#DIV/0!		
									\$0	0	#DIV/0!		DSEB
									\$0	0	#DIV/0!		DSEB
									\$0	0	#DIV/0!		DSEB
									\$965,775	60	16,096	Project completed	DSEB
									\$0	0	#DIV/0!		DSEB
									\$0	0	#DIV/0!		DSEB
\$31,174,095	\$4,457,640	\$246,077	\$12,252,107	\$8,419,656	\$7,515,817	\$1,132,935	\$1,187,953	\$0	\$0	0	#DIV/0!		

# NEXT STEPS FOR/REQUESTS OF ADMINISTRATION

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1. Maintain scoring sheets and the 10-Year Capex Radar on a shared drive, i.e. Dropbox or similar, so that administrators and board members can review the Radar and look up specific spend projects any time
2. Maintain and keep current the 10-Year Capex Radar spreadsheet, including updates when spend items change or are completed, as well as the likely funds sources for each
3. Add a tab to the 10-Year Capex Radar that tracks our available DSEB borrowing capacity and other fund sources
4. Leverage the soon-to-be-hired business office analyst to manage/ update the information on an ongoing basis and add additional bells and whistles over time



## OAK PARK ELEMENTARY SCHOOL DISTRICT 97

Dr. Al Roberts, Superintendent

### BOARD OF EDUCATION

Jim Gates, President

Amy Felton, Vice President

Graham Brisben

Rupa Datta

Jim O'Connor

Bob Spatz

Holly Spurlock

Sheryl Marinier, Board Secretary

970 Madison St.  
Oak Park, IL 60302  
(708) 524-3000  
[www.op97.org](http://www.op97.org)

# THANK YOU!

For follow up questions and  
information, please contact us.



# Appendices

1. November 2013 capex planning concept presentation to the board
2. Dg7: An Aspirational District...*With Results*



# D97 Board Work Group – Capital Expense Plan

Prepared for  
D97 Board of Education  
*November 19, 2013*



Photo: T. Dean, Wednesday Journal

✧ Board members Sacks and Brisben assigned

✧ Mission:

*Develop a framework to capture and create visibility for capital spending needs, covering both facilities (infrastructure) and equipment, over a ten year horizon.*



# Objectives

- ✧ Allow Board and Administration to anticipate and plan for major capital expenditures
- ✧ Reduce “surprises” around capital spending requirements
- ✧ Facilitate better cost/benefit, “trade-off” decisions by providing a big picture of capital requirements vs. current and forecasted resources
- ✧ Improved public communications and input on District plans, priorities, and choices requiring capital dollars



# Re-Thinking “Capital Expense”

1. Re-define what “capital expense” means:
  - From “facilities” to any depreciable equipment or infrastructure asset
  - New terminology: Infrastructure and Equipment
2. Evolve from traditional approaches

Traditional Capital Planning	Next Generation Approach
Silos	Holistic
Thought of as “facilities” only	Includes Equipment AND Infrastructure
No common method to assess risk and opportunity across all spending	Standardizes assumptions and methodology
Lacking an objective scoring criteria	Utilizes scoring system of risk, opportunity, criticality, timing across all types of capital spending
Major projects rolled-up into a single spend	Disaggregation of large projects
No standard for comparing different project types	“Apples-apples” comparison of costs, risks, benefits

# Methodology & Approach

## 1. Create new definitions and framework for evaluating capital spending

- Spend categories
- Scoring methodology

## 2. Capture best practices from both public and private arenas, including

- UNC-Chapel Hill School of Government
- McKinsey
- Douglas County School District (CO)



## 3. Leverage input of multiple stakeholders, including

- Board members
- Administration (T. O'Neill, N. Lane)
- Relevant vendors (STR)
- Board committees and work groups (i.e. FAC, Budget/Referendum Promises, FORC)

## 4. Develop new tools for

- Nomination of spend items
- Objective scoring of spend items
- Visibility on the choices and trade-offs for board, administration, teacher, parent, and taxpayer stakeholders





# Former Capex Framework Example

- Overly granular
- No method to objectively compare priorities
- Roll-up by school only
- No scoring/ranking system
- Limited to facilities only



## Oak Park School District 97 Ten Year Facilities Plan

SUMMARY OF WORK BY LOCATION	SUMMER 2012	SUMMER 2013	SUMMER 2014	SUMMER 2015
<b>IRVING ELEMENTARY SCHOOL</b>				
Asphalt repair- depends on playground decision		\$24,310		
Playground	\$0	\$238,000	\$0	\$0
Replace auditorium air handler with rooftop unit with AC	\$0	\$0	\$0	\$312,559
Replace intercom system	\$0	\$0	\$0	\$109,743
Replace master clock system / clocks	\$0	\$0	\$0	\$30,561
Upgrade fire alarm system in assembly areas	\$0	\$0	\$0	\$3,334
Replace FCI 7200 fire alarm panel	\$0	\$25,200	\$0	\$0
Upgrade electrical power in media center	\$0	\$0	\$0	\$16,670
IP-based digital security cameras to cover exterior, entrances, corridors & other interior spaces	\$0	\$0	\$0	\$187,535
Alarm system (media center, admin area, exterior doors)	\$0	\$0	\$0	\$33,340
Replace exterior scramble pads / access control	\$0	\$0	\$0	\$37,507
Replace doors and frames & include mag locks tied to fire alarm system to isolate access to gym	\$0	\$0	\$0	\$81,034
Replace old corridor/stair door openings - includes doors, frames & hardware	\$0	\$0	\$0	\$67,142
Replace rusted / damaged exterior doors and frames	\$0	\$0	\$0	\$30,098
Replace old int doors to occupied spaces - includes door & hardware (frame were applicable)	\$0	\$0	\$0	\$114,026
Masonry repairs / tuckpointing	\$0	\$0	\$0	\$34,729
Renovate toilet rooms into ADA toilet rooms on accessible floors (152W= complete renovation, 254W & 354W= new toilet compartments, 255W & 355W= new door & frame)	\$0	\$0	\$0	\$40,517
Replace old / worn carpet	\$0	\$0	\$0	\$59,039
Replace butt-glass w/ gyp bd at entrances- includes new door & hrdw. Casework not included.	\$0	\$0	\$0	\$21,995
Replace existing gymnasium wall pads	\$0	\$0	\$0	\$0
Roof - repair coping head joints, replace rusted sheet metal, paint rusted equip, scrape & paint ornamental wall cap	\$0	\$0	\$0	\$55,566
Roof - tuckpoint parapet walls	\$0	\$0	\$0	\$5,904
Convert air handlers with pneumatic controls to electronic	\$0	\$0	\$0	\$22,226
Convert pneumatic unit ventilators to DDC	\$0	\$0	\$0	\$161,141
Outdoor site lighting added to the building automation system	\$0	\$0	\$0	\$5,557
Fire alarm system interconnected to building automation system for alerts	\$0	\$0	\$0	\$2,778
High water alarm contacts on sump pumps tied into building automation system	\$0	\$0	\$0	\$2,778
Broadcast alarms via email or SMS	\$0	\$0	\$0	\$1,389
<b>SUBTOTAL THIS LOCATION</b>	<b>\$0</b>	<b>\$287,510</b>	<b>\$0</b>	<b>\$1,437,168</b>
Architect's/Engineer's/Environmental Consultant's Fees 10%	\$0	\$28,751	\$0	\$143,717
Construction Contingency	\$0	\$28,751	\$0	\$143,717
<b>TOTAL THIS LOCATION</b>	<b>\$0</b>	<b>\$345,012</b>	<b>\$0</b>	<b>\$1,724,602</b>

# New D97 Capex Tools and Frameworks: v1

## 1. Development of four broad spending categories:

<u>Categories</u>	<u>Examples</u>
Life Safety	<ul style="list-style-type: none"><li>• Fire protection</li><li>• Student and staff safety</li><li>• Statutory compliance</li></ul>
Core functionality	<ul style="list-style-type: none"><li>• Utilities</li><li>• Structural integrity</li><li>• Mechanical and plumbing systems</li></ul>
Direct impact on learning	<ul style="list-style-type: none"><li>• Technology systems</li><li>• iPads</li><li>• Classroom equipment</li></ul>
Enhancement	<ul style="list-style-type: none"><li>• Accessibility</li><li>• Air conditioning</li><li>• Program support</li></ul>



Photo: Chicago Tribune

## 2. Development of spend item scoring tool

- For items >\$100K
- .xlsx form (v2 may migrate to web-based)
- Comparison scoring rubric on a 0-100 scale
- Captures financial impact (unit cost, aggregate cost, opex impact, and offsets)

## 3. New master view capex spreadsheet

- Ten-year view with score, timelines, financial impact, plus separate tab for revenue



# Scoring Methodology Overview

## 1. Facts and qualitative assessment scoring (scale of 100)

### Spend Category



- ☐ Life Safety
- ☐ Direct Impact to Learning
- ☐ Core Functionality
- ☐ Enhancement

### Failure Expectancy



- ☐ Immediate
- ☐ 1-2 years
- ☐ 3-5 years
- ☐ 5-10 years

### Consequences



- ☐ Outage/closure
- ☐ Damage
- ☐ Legal
- ☐ Financial
- ☐ Productivity

### Users Impacted



- ☐ District-wide
- ☐ Feeder-wide
- ☐ School-level
- ☐ Class level

## 2. Financial inputs (net cost to District)

### Capex Requirement



- ☐ Unit cost
- ☐ Number of units
- ☐ Total cost

### Opex Impact



- ☐ Operational savings (if any) resulting from spend
- ☐ One-time or recurring savings
- ☐ New recurring opex resulting from spend

### Offsets

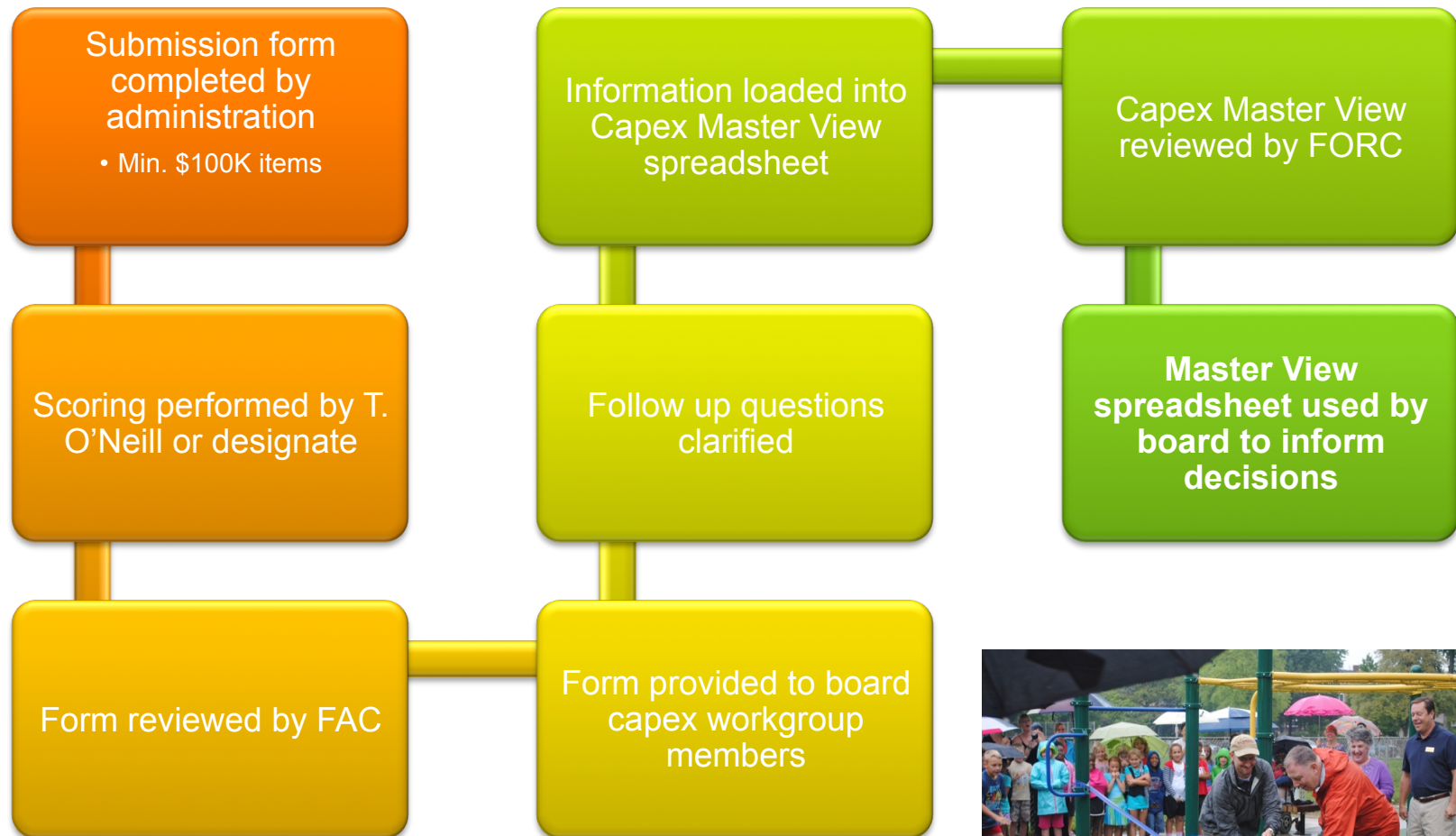


- ☐ Grants
- ☐ Revenue generated from spend

# Scoring Methodology - Detail

			Possible spend category	Additional context
<b>Level 1 Category - What is the opportunity or problem? (25 Possible Points)</b>				
Life Safety and Health	25	Required to reasonably prevent or respond to known or projected risks, e.g., educational environment or indoor air quality	LS	e.g. Life Safety Priority A item
Compliance	20	Required for code/regulatory, contract compliance, required upgrades, end-of-life	LS	e.g. Life Safety report items
System Failure/Upgrade	20	A system has failed or is reaching its useful life and is need of replacement now or in the immediate future	CF	
Component Failure/Upgrade	15	A component of a system has failed or is reaching its useful life and is in need of replacement now or in the immediate future	CF	
District Growth	15	Infrastructure or applications required to enable growth in school, teaching, student, data	CF, DI	
Required Infrastructure	10	Required infrastructure improvement/enhancement to enable other projects	DI, EN	
Strategic Priority	10	System or application needed to enable achievement of District strategic goals and/or ends	EN	Spend is pursuant to District goals, mission, values
Preferred, Desired	7	Customers would prefer a new or different product, system or equipment to that which is currently working	EN	
Political Expedience	3		EN	
No Problem	0	Review and no problem found		
<b>Level 2 Failure Expectancy - What is the frequency of the problem? (25 Possible Points)</b>				
Immediate/Emergency/Very Poor	25	The system has failed or is expected to fail in less than 1 year	LS, CF	
Probable/High/Poor	19	Failure and/or replacement need within 1 to 3 years	LS, CF	
Eventual/Medium/Fair	13	Failure and/or replacement need within 3 to 5 years	LS, CF	
New/Low/Good	7	The system, component or technology currently does not exist; or failure and/or replacement need is greater than 5 years	DI	
No Problem	0	There is no critical problem or identified need with the system	EN	
<b>Level 3 Consequence - What is the impact/result? (25 Possible Points)</b>				
Safety/Health	25	Student and/or staff safety or health is or has lost potential to be compromised	LF	e.g. Life Safety Priority A item
Outage/Closure	21	Upon failure, a production outage or a partial or complete facility closure will occur	LF	
Potential Damage	17	Potential or significant damage to District instruction, assets or reputation	LS, CF	
Legal/Financial	13	Significant legal or financial penalties	LS, CF	
Instruction/Investment Return:	9	Generates high return on instruction and/or investment (ROI as measured by test scores, NPV, or other)	CF, DI	
Staff Productivity:	6	Significantly increases staff productivity (as measured objectively)	DI, EN	
Loss Opportunity/Minor Consequence	3	Opportunity lost to improve process or reporting, or minor consequences	EN	
No Failure:	0	No failure is expected		
<b>Level 4 Users Impacted (25 Possible Points)</b>				
High Impact/District-wide	25			
Medium Impact/Feeder-wide	17			
Lower Impact/School-wide	8			
Minimal Impact/Class level impact	0			
<b>100 Possible points</b>				

# New Capex Process – v1



# Capex Planning Next Steps

1. Receive feedback and board input on tools and methodology
  - ✧ Remember –this is just v1
  - ✧ Tools and methodology to be refined and improved upon over time and as they are utilized
2. Complete entry and scoring of additional items in time to allow for board action as soon as December
  - ✧ Remaining known items over \$100K
  - ✧ Current major capex topics
    - ✧ Air conditioning
    - ✧ Accessibility
    - ✧ Potential new administration building
3. Explore transition from .xlsx to web-based tools
4. Explore implementation of a lump-sum expenditure or annual fund for smaller (<\$100K) items
  - ✧ Facilitates funds for routine capex items that don't warrant scoring
  - ✧ Properly distinguishes between capex and opex expenditures



Photo: Chicago Tribune

**Thank you!**

# D97: AN ASPIRATIONAL DISTRICT... WITH RESULTS

